

Systems Update

A publication of the South Carolina Retirement Systems

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Active Member Issue

Spring 2001

From the Director

More, faster, better...

Your retirement system continues to improve. We are committed to offering the help you need to make the critical life decisions involved with your retirement and retirement planning.

There is ample evidence that you care, and that you and your fellow employees have a lot of questions. Our call center receives nearly 14,000 calls each month. Our visitors' center sees close to 1,800 customers per month.

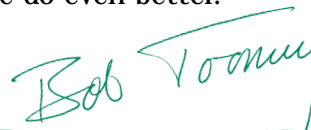
We are launching new ways to contact us with your questions and concerns. We now answer approximately 400 e-mail queries each month. On April 3, 2001, we initiated a pilot video conferencing program by conducting a test link with Horry-Georgetown Technical College's benefit administrator, Elaine Morgan. On April 9, 2001, a 30-minute consultation was conducted with Deborah James from the Office of Executive Policy and Programs in Charleston.

The potential uses for video conferencing are limited only by our creativity and your receptivity. We be-

lieve it takes customer service to a new level of responsiveness.

All has not been rosy. Benefits changes (such as the Teacher and Employee Retention Incentive [TERI] program, 28-year retirement, and new service purchase rules) have dramatically increased volume. The volume increase has diminished our ability to respond **fast**, but our staff knows accuracy is ultimately far more important than speed.

Since my first day at the Retirement Systems I have been proud to be associated with the people who work here. Professionalism, strong work ethic, and a commitment to serve members characterize the environment at the Retirement Systems. Please let us know how we can help – and how we can do what we do even better.



Correction to SCRS brochure

We have corrected some language on Page 3 of the January 2001 edition of the South Carolina Retirement System (SCRS) brochure. The text for the third item under *In-Service Death* should read:

- ➔ Preretirement group life insurance benefit; **and**
- ➔ Beneficiary's choice of monthly benefit **or** refund of employee contributions plus interest.

The text for the fourth item under *In-Service Death* should read:

- ➔ Preretirement group life insurance benefit (must have at least one year of service); **and**
- ➔ Beneficiary's choice of monthly benefit **or** refund of employee contributions plus interest.

Contact your employer or the Retirement Systems to obtain an SCRS brochure, or print your own copy from our website.

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Retirement Systems' Customer Services makes history, celebrates anniversary

As of 5:00 p.m. Wednesday, January 31, 2001, the Customer Services Annuity Claims unit had processed 4,004 service applications with January 1-31, 2001, dates of retirement. To put this number in perspective, January 2001 service retirees totaled 90 percent of the 4,417 service retirees for the entire previous 2000 fiscal year!

The Customer Services Call Center made its own history February 1, 2001, when the unit cel-

ebrated five years online. Prior to the establishment of the Call Center, when members called for assistance they were usually transferred to individual departments for answers to their different questions. The work interruptions were getting more frequent as the number of calls increased.

The Call Center staff has increased from 11 retirement consultants in 1996 to 21 in 2001. Within the first five months online, the Call Center answered 27,576 calls. Through

January 31, 2001, the Call Center answered 591,300 calls and responded to 5,926 Internet inquiries.

We applaud these outstanding accomplishments and congratulate our staff for a most difficult job well done!

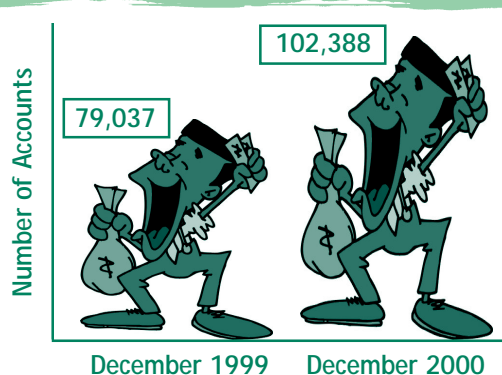
Customer Services wishes to thank each Retirement Systems employee, employer, and member who contributed to the successful outcome of both historical events.

Deferred Compensation accounts increase to more than 100,000

An increasing number of state employees are taking advantage of the South Carolina Deferred Compensation program. As of December 31, 2000, the program boasted 102,388 accounts, up 22.8 percent from 79,037 as of December 31, 1999.

The significant increase may be due in part to the 401(k) match program established in fiscal year 1999 for state employees. There were 75,217 accounts as of June 30, 1999. The number of accounts increased 24.2 percent to 99,208 by June 30, 2000, the first fiscal year of the match program. The num-

ber of accounts increased only 7.4 percent from 69,671 as of June 30, 1998, to 75,217 as of June 30, 1999, and 6.4 percent from 65,205 as of June 30, 1997, to 69,671 as of June 30, 1998.



The match program was extended to South Carolina public school teachers in fiscal year 2000. For fiscal year 2000, the per-person employer match is no more than \$300, up from \$118 in the previous fiscal year.

The Deferred Compensation program offers 401(k), 457, and 403(b) plans to eligible employees.

Retirement Systems Investment Panel: Taking Stock

As of January 31, 2001, more than \$4 billion in assets of the South Carolina Retirement Systems has been invested in equity securities, or stocks. This represents 22.5 percent of total assets to date. By June 30, about 25 percent will be invested in equities. State law allows a maximum of 40 percent of the assets to be invested in publicly traded equity securities. Consistent with the law, the Retirement Systems is moving toward this maximum in 10 percent increments annually.

So far, 14 investment management firms have been contracted to invest and manage these assets. These firms fulfill a variety of investment styles recommended by the State Retirement Systems Investment Panel and

approved by the State Budget and Control Board. Different investment styles provide excellent diversification for the Retirement Systems' equity investment portfolio. The assets are invested with each manager on a quarterly basis throughout the fiscal year. The table below lists the current firms, their locations, and the styles of investing for which they were hired.

In January 2001, the Panel conducted a search and selected another large cap growth manager. The Panel recommended Dresdner RCM Global Investors of San Francisco, California, to the Budget and Control Board, which approved the recommendation at its February 13th meeting. Dresdner was scheduled to begin receiving funds for investment around April 1.

Investment Management Firm	Location	Investment Style
State Street Global Advisors	Boston, MA	Large Cap Passive (S&P 500)
Institutional Capital Corp.	Chicago, IL	Large Cap Value
Sanford C. Bernstein & Co., Inc.	New York, NY	Large Cap Value
Flippin, Bruce & Porter, Inc.	Lynchburg, VA	Large Cap Value
Montag & Caldwell, Inc.	Atlanta, GA	Large Cap Growth
Peachtree Asset Management	Atlanta, GA	Large Cap Growth
J.P. Morgan Investment Management, Inc.	New York, NY	Large Cap Core
Wellington Management Company, LLP	Boston, MA	Large Cap Core
The Boston Company Asset Management, LLC	Boston, MA	Small/Mid Cap Value
J.L. Kaplan Associates, LLC	Boston, MA	Small Cap Value
MFS Institutional Advisors, Inc.	Boston, MA	Small/Mid Cap Growth
Suffolk Capital Management, Inc.	New York, NY	Small Cap Growth
Fidelity Management Trust Company	Boston, MA	Small Cap Core
Farrell-SL Investment Management, Inc.	New York, NY	Small/Mid Cap Core

Holiday Schedule for Remainder of 2001

Confederate Memorial Day	May 10	Thanksgiving Day	November 22
National Memorial Day	May 28	Day after Thanksgiving	November 23
Independence Day	July 4	Christmas Day	December 25
Labor Day	September 3	Day after Christmas	December 26
Veterans Day	November 12		

The Retirement Systems' office will be closed on the days listed above in observance of these holidays. Please do not plan to call or visit our office on any of these holidays. Thank you.

Preretirement Education

It's never too early to plan for the future

Have you thought about your retirement? Do you have enough money saved to supplement your retirement income? Do you know how much replacement income to expect from the Retirement Systems? Do you participate in a deferred compensation program? What about Social Security, health and life insurance, or legal affairs after retirement?

These are questions we should all be thinking about and answering during our active careers to better prepare ourselves for retirement. For more than 20 years the South Carolina Retirement Systems has been assisting participating employers with the development and presentation of preretirement education seminars.

These seminars are designed to help employees at any career stage learn more about what they should be doing to plan for retirement. These one-to two-day seminars are an investment that can pay off in many ways for employees fortunate enough to have employers able to plan and present such programs.

Last year, the Retirement Systems Preretirement Education program speakers participated in excess of 150 seminars throughout the state which included more than 9,000 participants.

While the Retirement Systems provides speakers for seminars as requested, employers are responsible for planning their own seminars and coordinating other speakers for various topics they believe are important to their employees.

A resource guide is available to help employers find local speakers on subjects such as deferred compensation programs, health, dental, and life insurance, Social Security, financial planning, and estate planning. The resource guide also has helpful reference information such as related book titles, periodicals, and websites.

Finally, employers deciding to plan a preretirement seminar for the first time can learn from other employers who have experience in planning successful programs. If you are a member who has benefited from attending a preretirement education seminar, you know the value it can provide in helping you plan for the future.

If you have not attended one and would like to, let the person responsible for administering your workplace benefits know of your interest in learning more about planning for your future.

The Field Services staff of the South Carolina Retirement Systems is ready to assist your employer to make sure you have the information you need to plan for the future.

South Carolina State Budget and Control Board

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Rick Kelly
Executive Director



A publication of the
South Carolina Retirement Systems
PO Box 11960
Columbia, SC 29211-1960

1-800-868-9002 (in SC only)
1-803-737-6800

Robert C. Toomey
Director

Megan L. Reynolds
Editor

Heather Muller
Assistant Editor

